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TO AMEMBASSY KINSHASA NIACT IMMEDIATE

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FOR DEPUTY SECRETARY ROBINSON WITH SECRETARY'S PARTY FROM AMBASSADOR

EO 11652: GDS

TAGS: OVIP (ROBINSON, CHARLES)

SUBJECT: DEPUTY SECRETARY'S VISIT TO EGYPT: CHECKLIST OF ITEMS FOR DISCUSSIONS

- 1. ALTHOUGH YOUR WORKING TIME IN CAIRO WILL BE SHORT, FOLLOWING CHECKLIST OF ITEMS FOR POSSIBLE DISCUSSION MAY BE OF HELP:
- 2. STATUS OF EMERGENCY ASSISTANCE CAMPAIGN. (NOTE: EGYPTIANS WILL WANT TO HEAR FROM YOU LATEST RESULTS OF OUR EFFORTS AND WE WILL WANT TO HEAR FROM THEM WHAT THEY HAVE DONE.)

A. ARAB.

- (1) STATUS OF ARAB FUND: FROM ALL INDICATIONS, ARAB FUND WILL BE LESS THAN EGYPTIANS HAD HOPED MIGHT BE THE CASE. ABU ISMAIL AND SHAFEI WILL JUST HAVE COME BACK FROM RABAT AND SHOULD BE ABLE TO PROVIDE DETAILS.
- (2) OTHER ARAB HELP: HAVE SAUDI, KUWAITI, ABU DHABI AND QATARI CASH GRANTS PROMISED DURING SADAT'S VISIT BEEN RECEIVED? WE HAVE HAD SENSITIVE REPORT INDICATING PROMISED KUWAITI \$200 MILLION NOT YET RECEIVED.

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(B) NON-ARAB ASSISTANCE:

(A) IRAN: PRIMIN TOLD US FEW DAYS AGO VP MOBAREK WOULD RAISE WITH SHAH SUBJECT OF IRANIAN AID DURING RECENT TEHRAN STOPOVER. HOWEVER, JUDGING FROM ALLAM'S ACCOUNT OT HELMS, VP DID NOT RAISE THE SUBJECT. IF SO, CONCEIVABLY EGYPTIANS MAY PLAN TO WAIT UNTIL SADAT'S PLANNED VISIT TO TEHRAN, NOW TENTATIVELY SCHEDULED FOR JUNE. ASSUME WE CAN'T DO MORE EITH IRANIANS UNTIL EGYTIANS MOVE.

(B) JAPAN: EGYPTIANS STILL CLAIM ALL JAPANESE AID FUNDS ALLOCATED, ALTHOUGH TOKYO SUGGESTS THIS NOT SO. EGYPTIANS BELIEVE JAPAN RATHER THAN THEY ARE DRAGGING THEIR FEET.

(C) FRANCE: ANY INDICATION OF FRENCH FINANCIAL ASSISTANCE DURING RECENT SADAT VISIT? OR HAVE WE HAD DIRECT INFO?

- (D) FRG: WE KNOW PRETTY WELL WHAT THIS IS, BUT MIGHT BE USEFUL TO ASCERTAIN HOW EGYPTIANS PLAN TO USE IT.
- 3. STATUS OF GOE-IMF DISCUSSIONS. AT LAST REPORT (CAIRO 5615), IMF REPS HERE WERE DISCOURAGED. AS A RELATED MATTER, GOE'S LATEST IDEAS ON PROPOSED AUSTERITY PROGRAM MIGHT BE EXPLORED.
- 4. PRIVATE AMERICAN CLAIMS AGREEMENT: PURSUANT STATE 101103, WE WILL CALL SHAFEI AFTER HIS RETURN APRIL 29 TO ASCERTAIN IF HE WOULD BE READY TO SIGN WHILE YOU ARE HERE. IF SO, WE WILL HAVE TO FIT THIS INTO SCHEDULE, BUT THIS SHOULD BE POSSIBLE.
- 5. CONVERSION AND TRANSFER OF TWA/PANAM POUND HOLDINGS: PRIMIN AGREEABLE IN PRINCIPLE, BUT ABU ISMAIL REMAINS OPPOSED AND WANTS TWA/PANAM USE NEW IATA 12 PERCENT SURCHARGE TO BUY DOLLARS ON PARALLEL MARKET. I HAVE CITED FREE CONVERSION ALLOWED LUFTHANSA AND ARGUED GOE SHOULD TREAT AMERICAN FIRMS NO LESS FAVORABLY THAN WEST GERMANS LEST IT BE CHARGED WITH DISCRIMINATION. CONFIDENTIAL

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6. US PL 480 POUND HOLDINGS IN CHASE BANK: WE HAVE ASKED GOE TO PERMIT LE 6.5 MILLION OF LE 10 MILLION ON DEPOSIT AT CHASE TO BE USED FOR LENDING PURPOSES TO PRIVATE SECTOR. SHAFEI IS SYMPATHETIC AND WILL LOOK INTO THE MATTER AFTER RETURN FROM RABAT. ABU ISMAIL IS OPPOSED ON GROUNDS SUCH USE WOULD BE INCONSISTENT WITH HIS DESIRE CONTRACT COMMERCIAL CREDIT. IMF RECOMMENDATIONS, AS WE UNDERSTAND

THEM, CALL FOR CONTRACTION OF COMMERCIAL CREDIT.

7. ARREARAGES: DESPITE GOE'S LIQUIDITY PROBLEM, IT CONTINUES TO PAY SOME BILLS. WE HAVE REPEATEDLY STRESSED IMPORTANCE OF PAYING US OBLIGATIONS ON TIME INSTEAD OF ANYWHERE FROM 30 TO 60 DAYS LATE. IT WOULD BE USEFUL ONCE AGAIN TO REMIND PRIMIN AND ABU ISMAIL OF THE IMPORTANCE OF SOME TIMELY PAYMENTS.

8. ABOVE APPEAR TO BE MOST IMPORTANT SUBJECTS FOR DISCUSSION. SHOULD OTHERS DEVELOP, WILL ADVISE YOU OF THEM ON ARRIVAL. EILTS

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